

§ 1703.142

7 CFR Ch. XVII (1–1–11 Edition)

§ 1703.142 Nonapproved purposes for loans.

(a) Loans made under this subpart will not be provided to pay the costs of recurring or operating expenses incurred after two years from approval of the project except for leases (see § 1703.141).

(b) Loans made under this subpart will not be provided for any of the following costs:

(1) To purchase equipment that will be owned by the local exchange carrier or another telecommunications service provider, unless the applicant is the local exchange carrier or other telecommunications service provider;

(2) To duplicate facilities providing distance learning or telemedicine services in place or to reimburse the applicant or others for costs incurred prior to RUS' receipt of the completed application;

(3) For projects located in areas covered by the Coastal Barrier Resources Act (16 U.S.C. 3501 *et seq.*); or

(4) To pay for salaries, wages, or administrative expenses; or

(5) For any purpose that the Administrator has not specifically approved.

(c) Except as otherwise provided in § 1703.112, funds shall not be used to finance a project, in part, when the success of the project is dependent upon the receipt of additional financial assistance under this subpart G or is dependent upon the receipt of other funding that is not assured.

[64 FR 14369, Mar. 25, 1999, as amended at 64 FR 25423, May 12, 1999]

§ 1703.143 Maximum and minimum amounts.

Applications for loans under this subpart will be subject to limitations on the proposed amount of loans. The Administrator will establish the maximum amount of a loan available to an applicant under this subpart, by publishing notice of the maximum amount in the FEDERAL REGISTER before the opening of the application window. The minimum amount of a loan is \$50,000.

§ 1703.144 Completed application.

The following items are required to be submitted in support of an application for a loan:

(a) *An application for federal assistance:* A completed standard form 424.

(b) *An executive summary of the project.* The applicant must provide RUS with a general project overview that addresses each of the following 9 categories:

(1) A description of why the project is needed;

(2) An explanation of how the applicant will address the need (see paragraph (b)(1) of this section), why the applicant requires financial assistance, the types of educational or medical services to be offered by the project, and the benefits to the rural residents;

(3) A description of the applicant, documenting eligibility in accordance with § 1703.103;

(4) An explanation of the total project cost including a breakdown of the loan required and the source of funding, if applicable, for the remainder of the project;

(5) A statement specifying whether the project provides predominantly distance learning or telemedicine services as defined in § 1703.102. If the project provides both distance learning and telemedicine services, the applicant must identify the predominant use of the system;

(6) A general overview of the telecommunications system to be developed, including the types of equipment, technologies, and facilities used;

(7) A description of the participating hubs and end user sites and the number of rural residents which will be served by the project at each end user site;

(8) A certification by the applicant that facilities funded by a loan do not duplicate adequate established telemedicine or distance learning services.

(9) A listing of the location of each end user site (city, town, village, borough, or rural area plus the State).

(c) *A scope of work.* The scope of work must include, at a minimum:

(1) The specific activities to be performed under the project;

(2) Who will carry out the activities;

(3) The time-frames for accomplishing the project objectives and activities; and

(4) A budget for capital expenditures reflecting the line item costs for the loan and any other sources of funds for the project.